

Message Text

CONFIDENTIAL

PAGE 01 MANILA 08026 140726Z

13

ACTION EA-14

INFO OCT-01 ADP-00 AID-20 EB-11 COME-00 AGR-20 CIAE-00

INR-10 NSAE-00 RSC-01 TRSE-00 DODE-00 PA-03 USIA-12

PRS-01 PC-04 RSR-01 SS-15 NSC-10 /123 W

----- 085249

R 140350Z JUL 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 6603

INFO AMEMBASSY BANGKOK

AMCONSUL HONG KONG

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

CINCPACREPPHIL

CINCPAC

C O N F I D E N T I A L MANILA 8026

CINCPAC FOR POLAD

E O 11652: GDS

TAGS: EAGR, ECON, ETRD, PINT, RP

SUBJ: GOP ACTS TO AVERT CONCERN OVER RICE SHORTAGES

REF: MANILA 8019 (NOTAL)

SUMMARY: WORSENING LOCAL RICE SUPPLY SITUATION (REFTEL) SHORTLY BEFORE BARANGAY REFERENDUM, HAS STIRRED FLURRY GOP ACTIONS, INCLUDING DAILY PRESS PLAY ON RICE IMPORT ARRIVALS, OFFICIAL ORDERS TO RICE MERCHANTS MAKE STOCKS AVAILABLE TO MARKET, ORDERS ATTEMPTING REMOVE LOCAL GOVERNMENT BARRIERS TO MOVEMENT RICE FROM SURPLUS TO DEFICIT AREAS AND ANNOUNCEMENTS OF TECHNICAL STEPS TO IMPORVE DISTRIBUTION. IT SEEMS LIKELY THAT AVAILABLE IMPORTS CAN AVERT SERIOUS SHORTAGES FOR THE TIME BEING, AT LEAST UNTIL AFTER JULY 27 REFERENDUM. END SUMMARY.

1. FOR SOME TIME, IT HAS BEEN RECOGNIZED THAT SHORT-FALLS IN RICE PRODUCTION AND IMPORTS MIGHT LEAD TO MORE THAN TYPICAL SHORTAGES

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 08026 140726Z

DURING THE LATER SUMMER MONTHS UNTIL ARRIVAL OF THE NEW CROP IN

SEPTEMBER. WITH BARANGAY REFERENDUM LITTLE OVER TWO WEEKS AWAY, LOCAL SHORTAGES HAVE BEEN EVIDENT OVER PAST FEW DAYS. SOME MANILA MARKETS REPORT THEY COMPLETELY WITHOUT RICE, EVEN THOUGH UNDER-COUNTER SALES CONTINUE.

2. GOP OFFICIALS AND CONTROLLED MEDIA DURING PAST MONTH HAVE STATED REPEATEDLY THAT NO SERIOUS SHORTAGES THREATENED, WHILE POINTING OUT IN NUMEROUS ARTICLES THAT PHILIPPINES BETTER OFF THAN MANY OTHER COUNTRIES AFFECTED BY WORLD-WIDE FOOD SHORTAGES.

3. NATIONAL GRAINS AUTHORITY (NGA) ADMINISTRATOR TANCHANCO AND DEPT AGRICULTURE UNDERSECRETARY DRILON HAVE REFERRED REPEATEDLY TO RICE ARRIVALS AS ADEQUATE TO MEET NEEDS IN CRITICAL PERIOD NEXT FEW MONTHS. THEY HAVE CHARACTERIZED SHORTAGES AS TEMPORARY AND ARTIFICIAL, ARISING FROM HOARDING AND LACK OF DISCIPLINE AMONG CITIZENS. DRILON ADDED TEMPORARY SHORTAGE DUE FACT RICE MERCHANTS HAD WAITED FOR NEW PRICE CEILING RECENTLY INCREASING PRICE TO PESOS 1.40 (US \$0.21) PER KILO. HE SAID DISTRIBUTION NOT ONLY RESPONSIBILITY OF NGA BUT ALSO OF RICE MERCHANTS.

4. ON JULY 11, GOP CAMPAIGN PICKED UP STEAM. PRESS REPORTS PRESIDENT MARCOS ORDERED NGA TO "FLOOD MARKETS WITH GRAIN." HE FURTHER DIRECTED PHILIPPINE CEREAL ASSOCIATION, INC. (PCAI), AN ORGANIZATION OF 40 RICE DISTRIBUTORS, TO PLACE IMMEDIATELY THEIR OWN STOCKS ON MARKET, UNDER THREAT OF SEVERE DISCIPLINARY ACTION SHOULD THEY FAIL TO DO SO. MARCOS ALSO SPECIFICALLY WARNED ANTONIO ROXAS CHUA, PRES. OF FEDERATION OF FILIPINO-CHINESE CHAMBER OF COMMERCE IN THIS RESPECT. (CHUA IS TRADITIONALLY LISTED AMONG SMALL GROUP OF CHINESE WHO CONTROL RICE TRADE. IT WILL BE RECALLED THAT SUGAR SHORTAGE SOME MONTHS BACK WAS OVERCOME AFTER BRIEF DETENTION OF CHUA IN CAMP CAME.)

5. MARCOS ALSO ISSUED LETTER OF INSTRUCTION NO. 97 MAKING PROVINCIAL GOVERNORS AND MAYORS RESPONSIBLE FOR TRADING AND MOVEMENTS OF COMMERCIAL STOCKS OF RICE SUBJECT TO OVERALL SUPERVISION OF NGA ASSISTED BY PC. THIS WAS, IN PART, TO REMOVE OBSTACLES REPORTEDLY IMPOSED BY PROVINCIAL ADMINISTRATIONS TO MOVEMENT OF STOCKS FROM SURPLUS TO DEFICIT AREAS.

6. FINALLY, A NUMBER OF TECHNICAL STEPS WERE ANNOUNCED TO IMPROVE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 08026 140726Z

AND SPEED DISTRIBUTION, INCLUDING AGREEMENT BY PCAI TO ASSIST IN DISTRIBUTION GOVERNMENT STOCKS WITHOUT CHARGE.

7. COMMENT: RICE DEFICIT HAS LONG BEEN ANTICIPATED IN WAKE DEVASTATING 1972 FLOODS AND EXTENDED DROUGHT WHICH FOLLOWED. MARCOS ALREADY HAD SEEN TO IMPORT NEEDS FOR NORMALLY RICE SHORT JULY. WHILE HE MAY HAVE BEEN CAUGHT SHORT BY UNFORESEEN DISTRIBUTION PROBLEMS, IT CLEAR THAT HE DOES NOT NOW INTEND ALLOW RICE SHORT-

AGES INTERFERE WITH SUCCESSFUL BARANGAY REFERENDUM, AND, INDEED,
MAY HOPE REAP ADDED CREDIT THROUGH SPEEDY RESOLUTION OF SHORTAGE.
THUS WHILE LONGER RANGE PICTURE IS NOT CLEAR, AS INDICATED REFTTEL,
IT SEEMS LIKELY THAT THE GOP PROGRAM CAN KEEP SUPPLIES REASONABLY
AVAILABLE ON THE MARKET THROUGH JULY, THOUGH LOCAL SHORTAGES IN
A NUMBER OF AREAS, PARTICULARLY IN THE VISAYAS AND MINDANAO MAY
CONTINUE.
HAMILTON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: willialc
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MANILA08026
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS HAMILTON
Errors: N/A
Film Number: n/a
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730733/aaaaaydu.tel
Line Count: 123
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 MANILA 8019
Review Action: RELEASED, APPROVED
Review Authority: willialc
Review Comment: n/a
Review Content Flags:
Review Date: 31 JUL 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31-Jul-2001 by kellew0>; APPROVED <23-Aug-2001 by willialc>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOP ACTS TO AVERT CONCERN OVER RICE SHORTAGES
TAGS: EAGR, ECON, ETRD, PINT, RP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005